



**COMPLIANCE UPDATE**  
**By Kim Slote, policy analyst**

**COMMON MANUAL**

The Cooperative Agreement for Guarantors Participating in the *Common Manual* was initially approved Sep. 10, 1995, last amended Feb. 21, 2002. This agreement between guarantors that administer the Federal Family Education Loan Program was for the purpose of publishing a common policy manual to be used as a guide for their schools, lenders, secondary market and servicer clients. Members of the *Common Manual* Policy Committee facilitate the development and adoption of policies that are consistent with the requirements of Title IV of the Higher Education Act of 1965, as amended, applicable regulations and other guidance published by the United States Department of Education. Policy proposals are presented to the *Common Manual* Governing Board for consideration and approval, before being incorporated into the *Common Manual*.

Proposed policy updates and technical edits can be submitted by anyone in the FFELP community. In addition, comments on current proposals are welcomed by the *Common Manual* Policy Committee. Instructions for how to submit comments or to submit policy proposals and technical edits for the *Common Manual* can be found at the following links.

- [Submit Policy Proposals/Tech Edits](#)
- [Submit Comments on Policy Proposals](#)

The *Common Manual* Governing Board approved policy changes proposed in Batch 200 June 19, 2014, which were published July 3, 2014. Summaries of the most recent policy updates made to the July 2013 reprint of the *Common Manual* have been posted to the *Common Manual* website at the following link <http://www.commonmanual.org> in the [Approved Policies](#) section. The common bulletin language for each policy change drafted by the *Common Manual* Policy Committee is also provided at this link. The common bulletin language is attached to this compliance update, without revision, for your review. Changes made in the proposals will be incorporated into the *Common Manual* annual update to be released in Aug. 2014. They will also be incorporated into the *Integrated Common Manual*, which is usually updated quarterly.



## Policy Changes Approved June 19, 2014

*Unified Student Loan Policy*

Batch 200: Proposals 1299, 1303, and 1305

The nation's guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual's next annual update. These changes will also be incorporated into the *Integrated Common Manual* released in August 2014. The *Integrated Common Manual* is available on several guarantor websites, and it is also available on the *Common Manual*'s website at [www.commonmanual.org](http://www.commonmanual.org). Please carefully note the effective date of each policy change.

### Closed School

The *Common Manual* has been updated to incorporate changes published in the November 1, 2013, *Federal Register*. The new rule extends the withdrawal or closure window to 120 days. It also adds that the Department may extend this 120-day window if the Department determines that exceptional circumstances related to the school's closure justify an extension. The Department will determine whether an exceptional circumstance exists on a case-by-case basis.

**Affected Sections:** 13.8.B Closed School  
**Effective Date:** Closed school discharge applications received on or after July 1, 2014.  
**Basis:** §682.402(d)(1)(i) and §685.214(c)(1)(B).  
**Policy Information:** 1299/Batch 200  
**Guarantor Comments:** None.

### Checking Foreign Diplomas

The *Common Manual* has been updated to include that a high school diploma, transcript, or secondary school leaving certificate from another country may be considered a high school diploma equivalent for establishing Title IV eligibility if the school verifies that the foreign diploma or transcript meets the required credential evaluation. The school may do this on their own if they are qualified to do so, or a credential evaluation service.

**Affected Sections:** 5.10 Required High School Diploma and Equivalent  
**Effective Date:** Evaluating high school diploma equivalents for loans in the FFEL program upon publication of the 2007-2008 Financial Student Aid Handbook.  
**Basis:** §668.16(p); 07-08 FSA Handbook, Volume 1, Chapter 1; GEN-13-16.  
**Policy Information:** 1303/Batch 200  
**Guarantor Comments:** None.

### Special Allowance and Interest Rate Reporting

Appendix A of the *Common Manual* has been updated to incorporate a revised version of Figure A-5 LaRS Special Allowance and Interest Rate Reporting for FFELP Loans, provided by the NCHER Program Regulations Committee.

**Affected Sections:** Figure A-5 LaRS Special Allowance and Interest Rate Reporting for FFELP Loans  
**Effective Date:** Loans first disbursed between April 1, 2006, and July 1, 2010, for which the lender remains eligible for special allowance based on the average three-month commercial paper rate.  
**Basis:** Higher Education Opportunity Act (HEOA) of 2008; Student Aid and Fiscal Responsibility Act (SAFRA) of 2009; §682.302(b).  
**Policy Information:** 1305/Batch 200  
**Guarantor Comments:** None.